

Introduced by Senator Gaines

February 17, 2011

An act to amend Section 8544.5 of, and to add and repeal Article 9.5 (commencing with Section 11362) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of, the Government Code, relating to administrative regulations.

LEGISLATIVE COUNSEL'S DIGEST

SB 591, as introduced, Gaines. Administrative regulations: reductions.

(1) The Administrative Procedure Act generally sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

This bill would, until December 31, 2021, enact the California Smart Regulation Act. The bill would require, on or before July 1, 2012, that a state agency determine how many regulations it imposes and, on or before December 31, 2013, to reduce the total number of regulations it has identified by 33%. The bill would require an agency to give priority to eliminating regulations that increase the regulatory burden on businesses and the business climate. The bill would also require, until December 31, 2021, that any new regulation proposed by an agency also eliminate another regulation.

(2) Existing law establishes the Bureau of State Audits, which is headed by the State Auditor and has specified statutory duties.

This bill would require an agency to submit a report of the regulations eliminated or identified for elimination to the State Auditor. The bill would require the State Auditor to perform an evaluation of the identified regulations and determine, in a report submitted to the Legislature, whether the removal of the regulations will result in a positive impact on the regulatory burden on businesses and the business

climate. This bill would require the Legislature to appropriate funds to the State Auditor sufficient to fulfill these duties.

(3) This bill would repeal its provisions on January 1, 2022, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8544.5 of the Government Code is
2 amended to read:

3 8544.5. (a) There is hereby established in the State Treasury
4 the State Audit Fund. Notwithstanding Section 13340, the State
5 Audit Fund is continuously appropriated for the expenses of the
6 ~~State Auditor. Auditor, except expenses incurred pursuant to~~
7 ~~Section 11363.~~ There shall be appropriated annually in the Budget
8 Act to the State Audit Fund, from the General Fund and the Central
9 Service Cost Recovery Fund, the amount necessary to reimburse
10 the State Audit Fund for the cost of audits to be performed that
11 are not directly reimbursed under subdivision (c). “Cost of audits”
12 means all direct and indirect costs of conducting the audits and
13 any other expenses incurred by the State Auditor in fulfilling his
14 or her statutory responsibilities.

15 (b) With regard to the funds appropriated pursuant to subdivision
16 (a), upon certification by the State Auditor of estimated costs on
17 a monthly basis, the Controller shall transfer the amount thus
18 certified from the General Fund or the Central Service Cost
19 Recovery Fund, as applicable, to the State Audit Fund. The
20 Controller shall thereafter issue warrants drawn against the State
21 Audit Fund upon receipt of claims certified by the State Auditor.

22 (c) To ensure appropriate reimbursement from federal and
23 special funds for the costs of the duties performed pursuant to
24 Section 8546.3, the State Auditor may directly bill state agencies
25 for the costs incurred, subject to the approval of the Director of
26 Finance.

27 (d) To ensure adequate oversight of the operations of the bureau,
28 the Milton Marks “Little Hoover” Commission on California State
29 Government Organization and Economy shall annually obtain the
30 services of an independent public accountant to audit the State
31 Audit Fund and the operation of the bureau to ~~assure~~ ensure

1 compliance with state law, including Section 8546. The results of
2 this audit shall be submitted to the commission and shall be a
3 public record.

4 (e) To ensure that audits of the Milton Marks “Little Hoover”
5 Commission on California State Government Organization and
6 Economy are conducted in conformity with government auditing
7 standards, any audit of the commission that is required or permitted
8 by law shall be conducted by the independent public accountant
9 selected pursuant to subdivision (d).

10 SEC. 2. Article 9.5 (commencing with Section 11362) is added
11 to Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government
12 Code, to read:

13
14 Article 9.5. Reduction of Regulations
15

16 11362. This article shall be known as the California Smart
17 Regulation Act.

18 11363. (a) On or before July 1, 2012, every agency shall
19 determine how many regulations it imposes.

20 (b) On or before December 31, 2013, every agency shall reduce
21 the total number of regulations it has identified pursuant to
22 subdivision (a) by 33 percent. In determining which regulations
23 to eliminate, an agency shall give priority to the elimination of
24 regulations that increase the regulatory burden on businesses and
25 the business climate. An agency shall submit a report of the
26 regulations eliminated or identified for elimination pursuant to this
27 subdivision to the State Auditor.

28 (c) (1) The State Auditor shall perform an evaluation of the
29 regulations contained in the agency report for the purpose of
30 determining whether the removal of the regulations will result in
31 a positive impact on the regulatory burden on businesses and the
32 business climate. The State Auditor shall report the results of the
33 evaluation to the Legislature.

34 (2) The Legislature shall appropriate funds to the State Auditor
35 sufficient to fulfill the duties imposed on the State Auditor pursuant
36 to this section.

37 (d) Until December 31, 2021, any new regulation proposed by
38 an agency shall also eliminate another regulation.

- 1 (e) This article shall remain in effect only until January 1, 2022,
- 2 and as of that date is repealed, unless a later enacted statute, that
- 3 is enacted before January 1, 2022, deletes or extends that date.

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